

SVAR/MM, LLC

Form ADV Part 2A

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This Brochure provides information about the qualifications and business practices of SVAR/MM, LLC ("SVAR/MM"). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at the number set forth above. This Brochure has not been approved by the US Securities Exchange Commission ("SEC") or any state securities authority. Additional information about SVAR/MM is available on the SEC's website at www.adisinfo.sec.gov.

Item 2: Summary of Material Changes

Not applicable.

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Item 4: Advisory Business

SVAR/MM is a Delaware limited liability company and is registered as an investment advisor under the Investment Advisers Act of 1940.¹

SVAR/MM is controlled by Mark K. Holdsworth, Howard M. Levkowitz and Tennenbaum & Co., LLC, an entity owned by Michael E. Tennenbaum and his spouse.

SVAR/MM serves as managing member to one client that is an unregistered pooled investment fund currently in the final stages of wind down.

Item 5: Fees and Compensation

SVAR/MM does not charge management fees to its client.

Item 6: Performance-Based Fees and Side-by-Side Management

SVAR/MM has one client. Because the client is a pooled investment fund in the final stages of wind down, SVAR/MM is no longer seeking new investment opportunities on behalf of its client. SVAR/MM charges performance fees of 20% after a preferred distribution of 8% to the members of its client.

Item 7: Types of Clients

SVAR/MM serves as managing member to one unregistered pooled investment fund. SVAR/MM is not accepting new clients.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

SVAR/MM serves as managing member to one client that is an unregistered pooled investment fund currently in the final stages of wind down. Its client is no longer seeking new investment opportunities, rather it is seeking an orderly liquidation of the few remaining positions held.

Investing in securities involves risk of loss which clients should be prepared to bear. There is no guarantee that SVAR/MM's client will be able to successfully liquidate its remaining portfolio. Material risks associated with investment in SVAR/MM's client are set forth in the private placement memorandum for its client.

Item 9: Disciplinary Information

None.

¹ Registration as an investment adviser with the SEC (as defined on the cover page) does not imply a certain level of skill or training.

Item 10: Other Financial Industry Activities and Affiliations

Tennenbaum Capital Partners, LLC (“TCP”) is the investment manager for our client. TCP, SVIM/MSM, LLC and SVOF/MM, LLC are registered investment advisers and are under common control with SVAR/MM.

Item 11: Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading

SVAR/MM along with TCP has adopted a consolidated code of ethics, which includes our policy regarding insider trading. Our Code of Ethics also lays out general principles of fiduciary duty to which all of our employees must adhere and also sets out various reporting requirements and securities trading restrictions applicable to SVAR/MM employees and, indirectly, members of their immediate family.

In rare circumstances, SVAR/MM may recommend to clients that they buy or sell investments of an issuer in which a related person of SVAR/MM has some financial interest. Any related person with such a financial interest is required by the policies of SVAR/MM to (1) disclose such interest to the investment committee and investment staff as applicable, and (2) be recused from SVAR/MM’s process of determining of whether to make such a recommendation to a client, prior to such a recommendation being made by SVAR/MM.

In rare circumstances, SVAR/MM or a related person may acquire or sell investments that it recommends to, or acquires or sells on behalf of, a client at or about the same time. This would only typically occur either: (1) as part of a joint purchase (with all terms of SVAR/MM’s financial interest disclosed) and (2) with full disclosure of SVAR/MM’s previous purchases, if any, and intended disposition strategy.

Related persons of SVAR/MM may also acquire or sell for their own account investments that SVAR/MM also recommends to clients but only in situations in which such purchases or sales are not likely to have any economic impact on a client or on its ability to acquire or sell investments of the same class or other investments in the same issuer. Such purchases and sales are restricted by SVAR/MM’s Code of Ethics, which prohibits access persons from acquiring or selling investments in an issuer in which any client is invested, or investments in any issuer in which SVAR/MM is recommending or considering recommending a client invest, except under certain circumstances which include prior approval by SVAR/MM’s Chief Compliance Officer.

Clients may obtain SVAR/MM’s Code of Ethics by requesting a copy from SVAR/MM’s Chief Compliance Officer.

Item 12: Brokerage Practices

In executing transactions for clients and selecting brokers or dealers, SVAR/MM will seek to obtain best execution, including best price, and taking into account such factors as price of the security, SVAR/MM's knowledge of negotiated commission rates and spreads currently available, the reasonableness of the commission or its equivalent for the specific transaction, the size of the order, the desired timing of the transaction, the nature and character of the security or instrument being traded and the markets on which it is purchased or sold, the activity existing and expected in the market for the particular security or instrument, the full range of brokerage services provided, the difficulty of execution and the operational facilities of the broker or dealer, the quality of the research or other products or services provided, and the broker or dealer's skill in positioning a block of securities. Brokerage services include the ability to most effectively execute large orders without adversely impacting markets and positioning securities in order to enable SVAR/MM to effect orderly transactions for clients. Research or other products or services received from brokers or dealers may be used to service any of SVAR/MM's clients.

Because commissions are only one of the factors to be considered when selecting best execution, transactions will not always be executed at the lowest available commission, and SVAR/MM may effect transactions in which the commission is in excess of a commission which another broker might have charged.

As a general matter, SVAR/MM believes that aggregation of orders for multiple clients is consistent with its duty to seek best execution. Aggregation of orders facilitates more efficient and less costly execution by enabling a broker to work a large order throughout the day, rather than dealing with multiple small orders and avoids competition in the marketplace among what otherwise would be smaller, separate orders of clients. In any case in which SVAR/MM believes that aggregation would result in higher total transaction costs to clients, it will not effect the transaction on an aggregated basis. In certain circumstances, an order clerk may determine to place orders for the same security with more than one broker-dealer in order to obtain best execution. For example, if any single market maker has insufficient access to satisfy an aggregated purchase order, it may be necessary to use multiple market makers to complete the order.

Before aggregating orders from particular clients, SVAR/MM will determine that the practice is consistent with the terms of the investment advisory agreement with, and other directions from, such clients. A list of clients that have directed brokerage to a particular broker and may therefore not be able to participate in aggregated orders will be prepared and updated periodically by the order desk.

Item 13: Review of Accounts

An investment committee of TCP meets weekly to review the accounts and discuss portfolio investments. The voting members of the committee are managing partners of TCP, the investment adviser to our client, and one representative of Babson Capital Management, LLC,

the co-manager for our client. The portfolio is reviewed at least quarterly with detailed written reports. More frequent reviews occur upon a material change in circumstances and/or pricing of an investment or market conditions.

Quarterly financial statements are prepared for our client.

Item 14: Client Referrals and other Compensation

None.

Item 15: Custody

SVAR/MM maintains custody of client funds and securities. All clients receive account statements from the custodian and the account statements are reconciled on a regular basis with SVAR/MM's records. The reconciliation is performed by accounting staff members of TCP who do not take part in the trading, settlements or portfolio management functions for the clients.

Item 16: Investment Discretion

SVAR/MM has discretionary investment authority over its client accounts, subject to the investment strategy, objectives and restrictions applicable to its client as described in the client's private placement memorandum. SVAR/MM has delegated investment authority to TCP and Babson, the investment advisor and co-advisor to our client.

Item 17: Voting Client Securities

SVAR/MM has delegated authority to vote proxies on behalf of its clients to TCP. TCP has adopted a Proxy Voting Policy that sets forth TCP's position on various routine proxy proposals, as well as guidelines for voting on non-routine issues and dealing with conflicts of interest arising in the proxy-voting process. SVAR/MM's clients do not have the ability to direct proxy voting.

It is unlikely that conflicts of interest will arise in the context of TCP's proxy voting, because TCP does not engage in investment banking, the advising of public companies or, except in cases where it exercises control, the managing of public companies.

In addition, insofar as TCP refers discretionary votes to its portfolio managers, TCP's Compliance Department monitors all relationships between portfolio managers and their immediate families, on the one hand, and issuers soliciting proxies from our clients, on the other hand. If a portfolio manager conflict is identified with respect to a given proxy vote, the Investment Committee will remove such vote from the conflicted portfolio manager and will

instead consider and cast the vote, refer the vote to an independent third party or abstain from voting.

In the event a privately-placed security as to which SVAR/MM or its affiliated adviser entities negotiated more than price related terms is held by a fund registered under the Investment Company Act of 1940, as amended (“Registered Fund”) and is the subject of a proxy solicitation or other voting or consent solicitation, and any unregistered fund or separate account managed by SVAR/MM or its affiliated adviser entities also owns securities of the same class as the security held by the Registered Fund that is the subject of the proxy, vote or consent, then SVAR/MM will vote such security in the same manner and at the same time for each client, and in amounts proportionate to each client’s investment in such security; provided that if SVAR/MM or its affiliated adviser entities believes that the foregoing policy is not in the best interests of a particular client in a particular situation, SVAR/MM or its affiliated adviser entities shall be permitted to deviate from the foregoing policy only if it has (i) submitted a proposal to the boards of directors of each applicable Registered Fund explaining the basis for such deviation and (ii) received the approval of a majority of those directors of the Registered Fund who (a) during the previous two years have had no material business or professional relationship with any of the Registered Fund or any other entity or separate account managed by SVAR/MM or its affiliated adviser entities (other than as a director of the Registered Fund) and (b) have no direct or indirect financial interest in the proxy solicitation, vote or consent other than through an investment in one or more of the Registered Fund or any other entity or separate account managed by SVAR/MM or its affiliated adviser entities.

In the event that a potential material conflict of interest does arise and is not addressed by the foregoing procedures, the primary means by which SVAR/MM avoids a material conflict of interest in the voting of proxies for its clients is by casting such votes solely in the interests of its clients and in the interests of maximizing the value of their portfolio holdings.

Clients may obtain information on how proxies have been voted and may obtain a copy of TCP’s Proxy Voting Policy by requesting such information from the Chief Compliance Officer.

Item 18: Financial Information

There are no financial conditions that are reasonably likely to impair SVAR/MM’s ability to meet contractual commitments to its client.